Pam
China
Sino-Japanese war

FAR EASTERN AFFAIRS

FEBRUARY-1939
15 CENTS

Monthly

WHAT IS CHINA?

Far EASTERN AFFAIRS Monthly

447 SUTTER ST., SAN FRANCISCO

DAVID WARREN RYDER, *Editor and Publisher*

Single Copies, 15 Cents 12 Issues, $1.00

VOL. I February, 1939 No. 12

FOREWORD

CONCERNING what is now happening in the Far East, a few people may desire to hear nothing that is not favorable to the Chiang Kai-shek regime; and a few others only that which is favorable to the Japanese. But the general public—the vast majority of the people—wants to know exactly what is going on; wants the actual facts, no matter which side they favor, or if they favor neither.

Actual facts, of course, are hard for the public to get; for numerous reasons—one of which is that so often the facts do not make sensational reading; do not, in other words, "sell papers." And so, much of what has come out of the Far East during the past two years has been highly colored; has concealed and obscured—rather than revealed—the actual facts.

Occasionally, however, the facts do manage to come out. Once in awhile, amidst the roar of propaganda and the shrieks of sensationalism, the still, small voice of truth makes itself heard. Twice within the last month this has occurred. In Collier's Weekly for February 4, 1939, and in THE LIVING AGE for February, 1939, are presented facts about the situa-

tion in the Far East which the public should know. In Collier's for the above date, W. B. Courtney, an on-the-spot observer, says:

> "After each raid on Hankow or Changsha, and similar places, the Chinese Propaganda Ministry would hand out statistics to the correspondents—600, or 800, or whatever the number, 'innocent civilians' killed. We never suspected the innocence of the poor victims. We questioned that of the officials, whose eagerness in telling us how many civilians were killed was matched by their remissness in failing to tell those civilians how to avoid being killed.
>
> "The marksmanship of Japanese bombing pilots was perhaps often at fault; but, within my personal observation, not their intentions. Canton and Hankow, for example, were very well-fortified cities, military headquarters, bristling with legitimate objectives. I have a map of Canton showing the areas in which destruction of non-military property, and deaths of civilians occurred. Each was in the near vicinity of a military objective: utility plants, a bridge, railroads. One American hospital, within a few hundred feet of important rail yards, had a small American flag painted on a terra-cotta roof; no pilot could have discerned this from 1000 feet. On every side were buildings used by the military. Lingnan University (Canton Christian College, Rockefeller-endowed) had a Chinese anti-aircraft gun on its campus until faculty pleas secured its removal.
>
> "More damage was done to property in Canton and other cities by fires set by the Chinese themselves than by Japanese bombs. Four hundred civilians were killed in Changsha by a fire set by Chinese authorities. The American Church Mission Hospital was destroyed, together with about eighty per cent of the total number of houses in this Hunan Province Cap-

ital. More civilians, helpless peasants, were killed by the flood caused when the Chinese High Command had the Yangtze dikes breached than by Japanese air bombs in the entire war."

In The Living Age for February, 1939, appears the following:

"Chiang Kai-shek is wiping out the Chinese people at an appalling rate, according to guarded reports and belated figures now being compiled by the Chinese press, and the question is being asked whether he is fighting Japan or his own country.

"How many millions of people have died in the present Sino-Japanese conflict probably never will be known, but in the 18 months of fighting across China's good earth, extending 1,400 miles inland from the sea, even a casual computation of losses in lives and property is staggering. Ironically, according to the Chinese press, about four-fifths of the property damage and about nine-tenths of the human losses can be directly attributed to the Chinese armies themselves. Always known as being reckless with human life, the Chinese commanders, from Chiang Kai-shek down, are now declared to have deliberately destroyed whole civilian populations and entire cities and towns in their flight to the western hills.

"As early as last April, before the undeclared war was a year old, official figures set the number of Chinese people left destitute and starving in Central China, by their own armies, at a conservative 10,000,000. Subsequently, three-fourths of these people died. The release of the dikes on the Yangtze by retreating Chinese troops, in an effort to stem the Japanese, was reported to have drowned fewer than 2,000 Japanese, while 750,000 Chinese peasants perished. The destruction of cities and towns, while presenting a high figure of loss, now

proves to be insignificant compared to the destruction of crops to prevent them from falling into the hands of the invaders. But while this move inconvenienced the Japanese, who had hoped to live off the land, it only caused them to travel well provisioned. The actual damage was to the civilian population, which starved off in batches of 100,000 at a time. This policy, by which it is planned to leave nothing to the victors, is outlined in an article on the 'scorched earth policy' published in the Hsin Hua Fib Pao, Chinese Communist party organ published at Chungking, and which advocated demolishment of:

1. Defense works and city walls in order to facilitate a Chinese counter-attack in a later stage of hostilities;

2. Principal highways and railways, thus inconveniencing the Japanese troop and supply transportation;

3. Barracks, public structures, factories, machinery, tramways, railway rolling stock, railway stations, telegraph, telephone and electric wires and poles;

4. Before the withdrawal, authorities must evacuate food supplies, cultural institutions, wounded soldiers and able-bodied men, the latter to be organized for transportation work or for guerrilla warfare.

"By following out these tactics, the Chinese thus have waged a more bitter and disastrous war against their own people and country than they have against the invaders."

What Is China?

"What," asked Monsieur Briand, "*is* China?"

This question was raised by the eminent French statesman in Washington, in 1921-22, amidst the serene solemnity attending the assemblage of the dignitaries of the nine Powers interested in the problems of the Pacific and the Far East.

Dr. Wellington Koo, Chinese delegate, at once assured the distinguished group that the territorial boundaries of China were defined in its Constitution; enumerating her 22 provinces and outlying districts, including Manchuria, Mongolia, Sinkiang, Tibet, and Kokonor. Yet, while he was making this unreserved, bold declaration, everyone in the Conference knew it was a polite fiction; knew only too well the state of China's disintegration.

Since then, China's boundaries have undergone some changes. She is now said to be composed of twenty provinces (or twenty-four provinces if one includes some of the outlying regions, such as Ningsha, Sikong, Chinghai, and Sinkiang), and three or six outlying districts, depending upon how one counts them, with a vast population variously estimated all the way from four hundred to five hundred million.

For convenience sake, we may group these as follows:

Name	No. of Provinces	Area Sq. Miles	Population	Density
North China	8	681,335	128,392,747	72.75
Central China	7	510,102	195,554,469	148.01
South China	5	439,319	73,351,356	64.46
Outlying Districts	6	2,186,416	7,053,738	1.24
Entire China	...	3,817,171	404,351,300	40.81

It might be said here, parenthetically, that at the time M. Briand raised the above-mentioned question in Wash-

ington, China proper was sub-divided into twenty-two provinces, but some were later created out of certain outlying districts, while further territorial changes have taken place since Manchuria was divorced from China in 1931.

In justice to Dictator Chiang Kai-shek and his efforts toward the development and unification of China it should be granted that he came to control possibly a larger area than any other single war lord since the Revolution of 1911. However, it must not be forgotten that what was placed under Dictator Chiang's sway was merely the major parts of the five provinces of Central China; namely, Chekiang, Kiangsu, Anhwei, Hupei, and Honan, comprising approximately one-tenth of the total area of China, and one-fourth of its inhabitants. With respect to the remainder, he was able to bring about a semblance of unity, only by allying and cooperating with, or threatening, other independent or semi-independent war lords, such as General Han Fu-chu of Shantung, Marshal Yen Hsi-shan of Shansi, Generals Li Tsun-jen and Pai Chun-chi of Kwangsi, General Liu Hsiang of Czechuan, and others of varying degrees of importance and influence. Moreover, so far as outlying districts were concerned, he was never able to consolidate his position, due to the fact that for a decade prior to the Sian incident he was the sworn crusader against Communism, and, as such, was compelled to contend with the Russian encroachment and the Communist intrigue, with any general or party ready to sell his country for a mess of Soviet pottage.

As this is written, the Sino-Japanese conflict has been going on for the past eighteen months, and events are again repeating the same question—"What is China?"—asked by the renowned French peace advocate seventeen years ago. It

is hoped that what follows may afford the reader a bird's-eye view of the political divisions of this vast enigma.

For the sake of convenience, China may be divided into three categories of regimes:

I. Outlying districts beyond the control of the so-called Nationalist Government;

II. Districts under or sympathetic to Japanese control; and,

III. Districts under or sympathetic to the Nationalist's regime.

Manchoukuo may or may not come in this classification, depending upon how a person views the facts, although it should be remembered that seven foreign governments have formally recognized it and that its de-facto existence is something which many other governments, including the Russian and our own, either recognize or acquiesce in.

I. Outlying Districts

Outlying districts are designated in various ways. As already pointed out, some still include Manchuria with the Chinese Republic; some consider Urianghai or Tanna Tuva with the Outer Mongolia unit, while Kokonor is often taken as a part of Tibet, etc.

However, in our present treatment we can give only a summary of the facts concerning Outer Mongolia, Sinkiang (Chinese Turkestan), and Tibet; embracing altogether a total of more than 5,500,000 square kilometers of the total Chinese area of 9,800,000 square kilometers. Although from the viewpoint of population, the districts in question hold less than one-sixth of China's total inhabitants, the presence of these widely scattered communities in a weak, disorganized country of such vast territories is full of significance.

(1) Mongolia

Outer Mongolia, for instance, claims about one million souls, while Manchoukuo's 32,000,000 inhabitants include 1,200,000 Mongolians. The relationship of these people with conflicting outside interests is a complicated one. China always claimed sovereignty over Mongolia, or rather China may be said to be, as Owen Lattimore put it, "A part of the Mongolian Empire," theoretically, at any rate, since the days of the sweeping march of Genghis Khan in the thirteenth century.

Russia Grabs Outer Mongolia

However, Moscow has taken several opportunistic positions here to suit her convenience. To settle the matter once and for all, China sent an expedition to Urga in 1919. It was miserably defeated by the Russian-supported Mongolian army. And when General Urgern-Sternburg attempted the return of a white Russian regime in 1921, Moscow dispatched strong forces to quell the uprising; claiming at the same time, that the Russian army was being sent at the request of the Mongolian Republic which, however, was not at the time in existence.

Later, according to the Sino-Soviet Agreement of May 31, 1924, the Soviet Government recognized that "Outer Mongolia is an integral part of the Republic of China and respects China's sovereignty therein"; and undertook, as soon as certain other questions had been settled, to effect the complete withdrawal of all Soviet troops from that territory. But this undertaking evidently meant nothing to Soviet Russia.

After Mongolia was proclaimed "the People's Republic," the old Lamaistic system was destroyed, most of the ruling Princes were deposed or murdered, and the Capital—Urga—

was renamed Ulan Bator Khota, or the City of the Red Hero. Most of the Chinese merchants were expelled from Outer Mongolia, trade monopolies were created, and from then onward communication between the territory and China Proper was virtually suspended. A Mongol army was trained by Soviet instructors, Mongolians were taken to Russia for political training, and Outer Mongolia isolated herself from every other country in the world except the U. S. S. R.

In 1934, the Treaty of mutual assistance between Ulan Bator and Moscow, in utter defiance of the Treaty of 1924 between China and the U. S. S. R., virtually recognized Outer Mongolia as an independent entity. When the fiction was completed, the Soviet grip over Outer Mongolia became bolder and tighter, and passport control was placed under the virtual supervision of local Russian Consulates and of the G. P. U. Mongolia at once began to exercise the right of autonomous tariffs, exacting approximately 5% for exports from and imports to its territory. Chinese goods were and are no longer allowed to enter free, which privileges are enjoyed only by Russian merchandise. Strange to say, however, Chinese workmen are still being forcibly kept in the province, as Mongolians are in no way competent to take their place.

Prior to the advent of Soviet Russia in Outer Mongolia, various silver coins were in circulation. However, the Soviets introduced an independent coinage system, and what is known as "Tuchrik" was made the unit. Through skillful currency control the Mongolian silver gradually found its way to Moscow to be melted as Russian reserve. The highest authority in Outer Mongolia, according to Mr. H. G. W. Woodhead, Editor of "Oriental Affairs," is the Russian Ambassador in Ulan Bator. Outer Mongolia, in spite of the claim of Dr.

Wellington Koo, or any other Chinese, is now Russian in actuality; Russia vetoing Japanese and Manchoukuoan overtures for trade arrangements or conferences.

(2) Sinkiang

Most of the peoples of the world, not excluding the Chinese themselves, know little or nothing of Sinkiang (or Chinese Turkestan), situated in the western part of China Proper. Yet, the estimated area is said to be about 633,800 square miles. It is even larger than the entire area now comprising Manchoukuo. It is sparsely settled, having only 5,000,000 inhabitants of several uncompromising religious groups.

The story of Sinkiang is a duplicate of the Chinese experience with Russia in Outer Mongolia. Although China claims sovereignty over this vast area, she has no capacity to keep it or govern it; while Sinkiang on its part has been in a constant state of civil strife, largely between the Moslem elements and the Chinese authorities, with foreign interference to complicate the situation.

The death of the Prince of Hami in 1931 made the strife chronic. The Chinese Government vetoed the succession of his heir on the ground that "a Prince was an anachronism under a Republic." This provoked a rebellion on the part of the local population, and this uprising was aggravated by a young Moslem leader, General Ma Chung-ying, who had long been at odds with the Chinese elements in Kansu. Ma's successful campaign won him a commission placing him over both Sinkiang and Kansu, which, so far as he was concerned, constituted an autonomous district, quite independent of Nanking.

Moscow Takes More of China

The local Chinese of Sinkiang, in an attempt to regain their lost control, enlisted several thousands of white Russians into their military service. Gen. Ma was compelled to retreat to his province of Kansu, but again he invaded the old battle grounds in 1933. In the course of his campaign, General Ma was faced by General Sheng Shih-t'sai, who, in 1932, had been reenforced by the Chinese troops of northwestern Manchuria under Chang Hsueh-liang. Later that year, Chang's forces, defeated by the Japanese, were compelled to make the long detour back to Sinkiang via Siberia.

General Sheng, who later became the Governor of Sinkiang, appealed for aid to the Soviet. Eagerly embracing this long-waited opportunity, Russia, in March, 1934, dispatched two Red regiments, with armored cars and aeroplanes, and placed the region under its complete subjugation. And did so without the world at large hearing much about a full-sized war between the Red army of Russia and the Chinese. Since then, the Soviet Consul General has been the virtual dictator of the province, with Urumtchi as his capital. Sinkiang is now an appendix of Russian influence, though the Russians are not popular with its Mahommedan inhabitants. But that has not stopped a special customs regime favoring Russia, and a virtual Russian trade monopoly from being introduced.

China long felt the approaching pressure of Russia through the trans-Siberian, thence through the Turk-Sib line which skirts the western borders of Sinkiang. With a view to remedying the situation, a few years ago the Chinese Nationalist Government saw fit to send, not one or a group of its own citizens, but Dr. Sven Hedin, a Swedish explorer, to investigate the possibilities of opening a highway which had

been forgotten since the days of Marco Polo. The noted explorer brought back an optimistic account of his venture, looking eventually to a Shanghai and Bordeaux bus-line, with but little levelling up of the roads in Sinkiang and Kansu. Little is known, however, as to the fate of his report. Suffice it to say, Sinkiang is still another Outer Mongolia, whether the world knows it or not, and irrespective of China's likes or dislikes.

Incidentally, Great Britain, not to be outdone by the Russian encroachment, is flirting with the southern portion of Chinese Turkestan. The significance of such a movement can easily be appraised from the following paragraphs on Tibet.

(3) Tibet

Tibet is about six times as large as California, with an area of approximately one million square miles and a population of three million. Linguistically it is said to be nearer to Burma than to China proper. Economically the Indian rupee is more universally used than the Chinese silver coin, which made its appearance only recently and which undoubtedly is more of a curio than a currency at this time.

Theoretically the whole of Tibet is under the suzerainty of China, but the actual administration is in the hands of the Dalai Lama of Lhasa and the other local kings and chiefs, comprising a number of ecclesiastical fiefs. They are in turn supposed to be controlled by the high Chinese officials residing at Lhasa, Sinning Fu in Kansu, or even in the capital of the Province of Czechuan. There are, furthermore, theoretically two national assemblies comprising the officials of the government.

All of this sounds well on paper. But the Dalai Lama's successor has not been designated since 1933, when the last

one died under "unusual circumstances." The Panchen Lama has since been a roaming refugee, while the Chinese resident officials were often defunct, as we shall presently see in the following short chronological sketch.

For many centuries, Russia, who had long been seeking an outlet to warm sea water, found Great Britain ready to check her at every turn. Even the vast Far Eastern plateau making the northern fringes of the roof of the world was not spared of this contest.

If we go back far enough in the history of Asia, we find that olden China claimed that Bhutan, Sikkim, Burma and Tonking were all under Chinese jurisdiction. Be that as it may, Warren Hastings is known to have sent, in 1774, young George Bogle of the East India Company to Tashilumpo in order to gain friendship between Great Britain and Tibet. But virtually no one followed to gather the fruit.

Britain Gets "Her Share"

When the Chefoo Agreement was entered into between the two countries, Great Britain obtained the consent of the Chinese to send its mission to Lhasa, Tibet. This suggestion provoked trouble between the parties and resulted in the loss of Sikkim, over which the Tibetans claimed suzerainty, to Great Britain. This part of the process of China's disintegration is characteristic, and is still fresh in the minds of many living Chinese. In 1886 the Tibetans dispatched troops to Sikkim, but they were driven back by a mixed British force, who occupied the Julep Pass and marched on to Chumbi where the Rajah of Sikkim made his residence. In 1889 the British efforts to exact disclaimer of Tibetan suzerainty over Sikkim from Amban, the Chinese agent, was unsuccessful.

It was in July of the same year that China was forced to give freer hand to Great Britain in Burma "in return for an undertaking from her not to press unduly for the opening of Tibet." Thus China was forced to pay handsomely for "British moderation." But the bargain did not prevent Colonel Younghusband from marching to Tibet with his famous military expedition. By 1904 this expedition fought its way to Gyangtse and Lhasa. The Dalai Lama, head of the Tibetan Government, fled to Urga (Ulan Bator) and was deposed by the Chinese government. A unilateral treaty was subsequently arranged whereby China pledged not to cede, lease or sell any portion of the Tibetan territory to any third power, or allow any other power to intervene in Tibetan affairs. In 1894-5 China, having been defeated by Japan, was forced by Great Britain to reaffirm the Lhasa convention.

For many years the question on the part of China was how to bring Tibet under the control of Peking. Disturbances among the native kings and chiefs or with the larger and lesser Lamas were not unusual, as in other parts of China. The various partizans frequently appealed to Peking or even to foreign sources. On more than one occasion the Dalai Lama sought refuge in India, which served gradually to strengthen the British hold on Tibet. For three years, from 1904 until January, 1908, British troops were stationed in the Chumbi Valley.

The Dalai Lama and his British-trained followers' innovations and reforms, on the other hand, have always met with opposition from conservative and anti-British quarters, which were often headed by the Panchen Lama, second only to the Dalai Lama in the affairs of Tibet. This caused the Panchen Lama to be considered as pro-Nanking, and the Dalai Lama as pro-British.

In the meantime, the death of the Dalai Lama occurred in Lhasa in December, 1933. Pending a mysterious selection of his successor, a young Chief Abbot of Rodreng, then only 23 years of age, assumed the regency. In February, 1934, General Huang Mu-sung, who in 1933 was appointed Special Pacification Commissioner to Sinkiang, was named also Special Envoy to Tibet. After a tedious overland journey and a sojourn of a few months at Lhasa, he returned to Shanghai via India in February of the following year. Although he claimed that his mission was successful, there has been no tangible evidence of the restoration of the Panchen Lama, for whose return he was supposed to have made the necessary arrangements.

It will be recalled that when Mr. and Mrs. Jack Young, both Hawaiian-born Chinese, went to Tibet on a wild game hunting trip two years ago, the journey was styled as an "expedition," or "exploration." Tibet, so far as an average Chinese is concerned, is another far away country decidedly under British influence; and which is never sure of the extent of its political affiliation with China Proper, though it goes on automatically by its momentum, or like the segment of an earthworm, which can and does survive as a whole or as a part.

II. Pro-Japanese Regimes

(1) Autonomous Government of Inner Mongolia

Coming nearer to China Proper, roughly within a vague confine of old Chahar Province, Suiyuan and that part of Shansi situated outside of the Great Walls, sometimes designated as Inner Mongolia, there reside some seven million inhabitants. It is generally contended that the present Mongolian population is about 2,500,000. Of this number, about

500,000 constitute the population of the above area. While the major portion of the people of this section are Chinese immigrants, they have been so thoroughly Mongolianized that they proudly consider themselves Mongolians in the broader and cultural application of the term.

For centuries the Mongolians were placed between the descending pressure of Russia and the ascending force of the Chinese from the south. The Chinese, on their part, many centuries ago built the Great Wall in order to keep these very Mongolians and Tartars out of the fertile soil of Central China. Of all the Mongols, the various tribes of Inner Mongolia most keenly felt the powerful encroachment from the two directions. And, as we have already seen, many Mongolian Chinese still share the independent sentiment of the region.

The Chinese Revolution of 1911, and the accompanying relaxation of the pressure from the south, due to the fall of the Manchu Dynasty, afforded an opportunity for the consolidation of the Mongolians' desire to free themselves from the yoke of the Chinese. The birth of Manchoukuo rekindled in the minds of these people a new hope for freedom and independence.

(a) The Sian coup d'etat having reduced the Nationalists' influence to a low ebb in Shansi, on September 4, 1937, the South Chahar Autonomous Government came into being in response to the desire of the Mongolians of ten Hsiens, or prefectures, of that portion of the Province.

(b) This was followed by the North Shansi Autonomous Government, which came into existence on October 15 of the same year, representing the wishes of the inhabitants of 13 Hsiens of northern Shansi.

(c) This was again followed by an organization which called itself the League of Autonomous Governments of Mongolia.

Finally, however, these three local regimes, by the exchange of notes among them on November 22, 1937, organized a central body under the name of The Mongolian Federal Committee, openly declaring themselves against Communism and for a closer cooperation with Japan and Manchoukuo.

They have since undertaken a thorough renovation of their respective institutions under the guidance of Japanese advisers. New steam and motor roads are being built, and electricity is being introduced. Virgin land is being placed under the plow. New pastoral fields are being opened. A central bank with a capitalization of nine million yen started operation. Newspapers have come to enlighten the people. One standard time was adopted. Law and order replaced petty rivalries and contests. Government and modern civilization came to stay.

In this connection, an interview attributed to the Panchen Lama in December, 1933, may be interesting:

"The Mongols are not being influenced in their demand for autonomy by either Japan or Russia. What is influencing them is their very evident need for union against all outside encroachment." The Mongols are still largely loyal to the idea of an Emperor in Peking and most of them would like to see him back on the Dragon Throne, thus restoring the old unity of the Manchus, Mongols, and Chinese. They still look upon Pu Yi as their Emperor, though his position as the head of a Japanese-controlled State is not entirely acceptable to them. If the time comes when Pu Yi really has supreme power, it is possible that the Mongols will adhere to him rather than to the Republic of China.

MAP OF ASIA
RUS
TANATUVA
COMMUNIZED
OUTER MONGOLIA
INN
COMMUNIZED
SINKIANG
NINGHSIA
Ninghsia
SU
KOKO NOR
Shining
Lanchou
KANSU
CHINGHAI
SH
TIBET
C
H
Lhasa
SIKANG
Chengtu
NEPAL
Tachienlu
SZECHWAN
BHUTAN
Kweiyang
KWEICH
INDIA
YUNNAN
KW
BURMA
FRENCH
INDO-CHINA
SIAM

A
Habarovsk
ator Khota
Urga)
MANCHOUKUO
CHAHAR
MONGOLIA
Kalgan
Peking
Paotu
HOPEI
Taiyuan
SHANSI
SHANTUNG
KOREA
JAPAN
TOKYO
KYUSHU
KIANGSU
HONAN
ANHWEI
Nanking
Shanghai
HUPEH
Hankow
CHEKIANG
Changsha
KIANGSI
HUNAN
FUKIEN
Foochow
FORMOSA
KWANGTUNG
Canton
Hong Kong
HAINAN
Frontier
Border of Province

(2) Provisional Government of North China

Political geographers do not all agree as to the boundary lines of what we are so easily accustomed to call North China. Some hold it to comprise the four provinces of Hopei, Shansi, Suiyuan, and Chahar, all of which are situated north of the Yellow River. Others, however, include five, eight, or as many as eleven northern provinces as constituting North China. For the sake of convenience, and without going into detailed discussion, we might include more or less arbitrarily the following six provinces:

Name	Area in Sq. Kilometers	Population in 1000	Per Square Kilometer
Hopei	140,526	31,232	222
Shantung	153,711	30,536	197
Honan	169,782	29,090	171
Shansi	161,842	12,228	76
Chahar	258,815	1,997	8
Suiyuan	304,058	2,124	7
Total	1,188,734	107,207	91

As is the case elsewhere in China, 86% of the people of this section are still agricultural. Although in recent years we note rapid industrial development in large cities such as Tientsin and Tsingtau, their combined production does not exceed even 10% of that of the city of Shanghai alone. However, North China is rich in natural resources, particularly in mineral deposits among which coal is the most notable. It is said that of China's estimated coal deposits of 246,000,000,000 tons, 130,000,000,000 tons lie dormant in North China. Shansi alone claims 51% of the total estimated deposit of China's coal.

While no accurate survey is available of the iron deposits of the country, approximately one-half of the estimated de-

posit of 380,000,000 tons is said to be scattered throughout North China.

Perhaps cotton follows in importance of North China's products. However, it is still a mere drop in the bucket as compared with the cotton production of America, India and Egypt.

Prior to the outbreak of the present Sino-Japanese conflict, there existed two autonomous or semi-autonomous governments in and about Peking. General Sung Teh-yuan, who had headed the Peking regime, reputedly under the former Nanking Government, maintained varying degrees of cooperation with, or independence of, his southern superior. When the trouble broke out, the unsuspecting Sung was forced to act as the involuntary cat's paw of both General Chiang Kai-shek and the Communist faction. His withdrawal to the south on July 28, 1937, was a signal to bring to being at Peking and Tientsin a Peace Preservation Committee, composed of some forty representative Chinese business and professional leaders, who were mostly non-committal or else favorably inclined to cooperate with Japan.

The organization of this strong committee brought to the surface the resentment and dissatisfaction the people of North China had long entertained toward the Kuomintang. As evidence of this, on August 16, in Peking there took place a huge parade of some 150 motor cars with slogans including "Down with Chiang Kai-shek," "Exterminate Communism," "Cooperate with Japan," etc.

Though thus encouraged, the new regime was not to spring into full, effective being in one day. And so it was not until December 14 of the same year that an announcement was made of the decision of organizing a North China government, with the name Provisional Government of North China.

This was headed by no less a statesman than Mr. Wang Ke-ming, well-known figure both in Peking and Nanking. The highest political authority of this government is vested in a committee composed of a chairman, five members of a standing committee, and other regular members.

Law and Order Restored

The government at once presented the air of stability. It organized peace preservation corps, and with the assistance of the Japanese army restored law and order. Shops and factories resumed their operation. In Peking, in particular, it was not a question of "business as usual." It will be remembered that very little fighting took place inside the city walls. The residents are now beginning to dream of the return of the old Manchurian days of glory and splendor. In Tientsin, the customs were placed under the new regime. The salt gabelle, and the postal and telegraph services are now in the same hands. The hypothecated revenues are now deposited in The Yokohama Specie Bank, ready to fulfill the obligations when official arrangements have been concluded.

With the organization of the Provisional Government, the provinces of Hopei, Shantung, Honan, and Shansi have laid the foundations for law and order and general stability. The Provisional Government functions under the five newly organized bureaus of General, Educational, Financial, Construction, and Police Affairs.

Perhaps one of the most important and far-reaching departures of the new government is its definite commitment against Communism and to a close cooperation with Japan and Manchoukuo. Pursuant to this policy, all anti-Japanese references sponsored by the Kuomintang have been deleted from the text books. Scientific subjects have come to be given

emphasis in preference to mere abstract subjects. In order to install popular education, normal schools for men and women, and an all inclusive university have already been established in Peking.

Another important emergence out of the advent of the Provisional Government is the rise of a new set of people's principles in contradistinction to the so-called principles of Sun Yat Sen. These do not strike the radical and revolutionary notes of the comintern doctrine, and do not seek their expression in destruction, abuse, or attack upon a friendly neighbor. They emphasize self-emanation, self-control, and self-development; and the putting of one's own house, one's village, and the whole country in order by virtue, justice, and production, which is something that is neither capitalistic nor Marxian.

Here it is necessary for us to make a brief digression in order to describe a little autonomous government. It will be remembered that as a result of the Manchurian Incident a demilitarized buffer zone was created between Manchoukuo and a line roughly connecting the points a few miles outside Peking and Tientsin. It is within this area that there rose a regime which called itself the Anti-Communistic Autonomous Government of East Hopei, and which was more commonly referred to as the Chitung Government.

Arising in this securely protected area, by an international undertaking, the Chitung regime was openly favourable to Sino-Japanese cooperation. It successfully functioned for a few years, though it was not always on the best of terms with an administration that the Chiang Kai-shek regime wished to set up in Peking.

With the firm establishment of the Provisional Government in Peking, the Chitung Government decided on Decem-

ber 15, 1937, to merge with it, which program was put into effect by an agreement of February 1, 1938, with the guarantee that the former will in turn assume foreign obligations duly incurred by the latter. Moreover, the Provisional Government of Peking has had its position in Central China further strengthened by an arrangement with the newly organized Reform Government in Nanking, to which we shall presently refer.

(3) Reform Government of Central China

Central China is generally understood to be the seven provinces of Kiangsu, Chekiang, Anhwei, Kiangsi, Hupei, Hunan, and Czechuan, situated in the rich Yangtse Valley. It is the most thickly populated section of the country.

Province	Area	Population
Anhwei	134,426	23,265,000
Chekiang	103,058	21,230,000
Kiangsi	200,209	15,820,000
Kiangsu	108,339	39,469,000
Hunan	237,231	28,293,000
Hupei	207,692	25,541,000

While it covers only one-tenth of the area of the nation, or about one-third of China Proper, it contains almost one-half of the entire population of China. Shanghai occupies the most strategic position as China's commercial port. It is variously estimated that about 60% of China's entire foreign trade goes through this busy gateway of the Yangtse Valley. It is no wonder that successive Chinese warlords have struggled for the control of this rich prize. Over one-half of the entire length of the Yangtze river of 3,200 miles is navigable by steamer, while an ocean going steamer of the 7000-ton class can steam up the river for 600 miles throughout the year.

Its natural resources are diversified. Mineral, agricultural, pastoral, and aquatic products are found in abundance. The most important is possibly the estimated known deposit of considerably over a million tons of iron.

It is roughly estimated that the coal deposit of Kiangsu, Chekiang, and Anhwei is about 677,000,000 tons, while only 1,000,000 tons are said to be the annual production of these provinces.

Shanghai is the heart of China's economic activities. Eighty per cent of the British investment to the amount of $1,500,000,000 is in this city. One should not overlook the fact that a large portion of this figure represents Chinese capital which the British hold in trust for them. Japan's 500,000,000 yen, which constitutes seventy per cent of her China investment, is made there, while $100,000,000 of American investment, representing seventy per cent of her China investment, is placed in the Chinese metropolis.

Industrially speaking, seventy per cent of China's 5,940,000 spindles are working in Shanghai. Japanese mills alone employ 60,000 Chinese workers. Silk factories, flour mills, and sugar refineries have sprung up mostly within the provinces of Chekiang and Kiangsu.

Prior to the fall of Nanking, many local peace preservation committees had already arisen amidst the smoke of the battle field. The first organized voice was heard on December 5, 1937, in the Pootung area, opposite the International Settlement of Shanghai and the French Concession on the banks of the Whampoo River. This was followed on December 29 of the same year by an organization of the Shanghai Citizens' Association. It was sponsored by twenty-one influential business men, with the hope of hastening the rehabilitation work

of the devastated area, including Chapei and Kiangwan just outside the Settlement and Concession.

Two more very powerful organizations came into existence. The Peace Preservation Committee in Nanking was born out of a mass meeting, on January 1, 1937, at the Drum Tower, of 30,000 Chinese eager to welcome the return of tranquility. The Hanchow area celebrated the occasion by organizing its own committee, as did many communities of lesser importance.

Unifying the desires of the people of these parts of Central China, the representative men of affairs and ability from these various committees decided to establish in Nanking a stable government, which was brought to fruition by the organization in that city of the Reform Government on March 28, 1938. The new regime, uniting under the old Republican banner of five stripes signifying cooperation among the five races comprising the Chinese nation, adopted a programme outlawing Communism, and calling for the effective and continuing cooperation of China, Manchoukuo and Japan.

As the English version, "Reform Government" indicates, it preferred not to depart too far at first from the mechanism of the old administration. It continued to retain the Nationalist Government's Executive, Legislative, and Judiciary Yuans; the seven major departments of Foreign, Interior, Finance, Pacification, Education, Industry and Communication; and also the seven bureaus including Secretariat, Statistical, Protocal, Printing, and Overseas Affairs.

Its leaders have taken the view that the government is not so much a matter of machinery as it is of the spirit with which it is operated. They severely denounced the dictatorial one-party system of the Kuomintang and the dictatorship by Chiang Kai-shek; counselled the futility of struggles between

the neighbors, China and Japan, and strongly advocated the necessity of close cooperation between them, particularly as against the inroads of the Red Menace of the North.

(4) Liaison of the two governments.

Judging by the origin and development of the Provisional Government of Peking, it appears that this Government has progressed by a process of gradual evolution into a national government. Soon after the Reform Government was organized in Nanking on April 4, 1938, its chairman, Liang Hung-chih, accompanied by several members of his cabinet, called upon the representatives of the Provisional Government in Peking. After the exchange of greetings they agreed roughly upon the following points:

A.—Upon the resumption of the through train service between North and Central China, the parties will come to a complete understanding as to the unification of the two governments. With that end in view the parties are to refrain from any act that may tend to hinder the smooth consummation of the objective, and each of the parties is to station at the seat of the other the necessary liaison officers in order to keep in constant touch with one another.

B.—In view of the nature of diplomacy, matters pertaining to foreign relations are to be left exclusively in the hands of the Provisional Government, while they in turn are to report all transactions to the Reform Government.

C.—Inasmuch as a unified policy is necessary in matters relating to customs, the Reform Government is to follow the plan of the Provisional Government. In order to maintain international confidence and credit, the Peking regime will not utilize the customs funds to defray its expenses, but they are to be kept on reserve to service foreign loans for which

purpose they are to be deposited with the Yokohama Specie Bank.

On April 28, a return call by Chairman Wang Keh-min was made upon Chairman Liang of Nanking. Within the following two days they reached a concrete understanding on the above-mentioned principles. At the same time, they arrived at an agreement on their joint efforts toward the institution of a system of currency and its stabilization. The respective representatives for the purpose of liaison have since been duly appointed and are now stationed at their respective posts.

(5) Hankow and Canton Committees.

The fall of Hankow and Canton, one after another, brought about the creation of two new powerful committees for peace preservation. We are not yet in possession of information as to how representative and how firmly established they are. Suffice it to say, that they appear to be making steady progress toward effectuating the cooperative programs of the other new regimes in China.

Together with the three others earlier in existence, a working understanding has been reached, and no conflict of authority is expected.

(6) New Strength of these Regimes.

It is now generally known that in December, 1938, Wang Ching-wei, former Premier and outstanding leader of the Kuomintang, with a group of followers, seceded and went to Hanoi. There he declared that he favoured a peace with Japan under the Konoye formula, made by Prince Konoye on December 22 of last year. Wang Ching-wei, though said to be a man of few words, has long wielded great influence both in Chunking and Canton, and reports claim that each day finds him new followers, and more outspoken support among the masses.

Even more significant of the new China is the decision made by General Wu Pei-fu to come out of his seclusion in order to help his people find the way to settle the disastrous trouble with their island neighbors. What final role the leaders of the new China expect him to take has not been revealed. But it is not hard to discern when we realize China's foremost needs—unity and stability.

III. The So-Called Nationalist Regime

The remaining area of China, often called "Chiang's own area," is subject to considerable explanation and qualification. In so doing, it is necessary to refer to the enormous army or armies which Chiang, as the recognized head of the Nationalist Government, has failed to reduce in compliance with the Washington Convention of 1921-22.

Prior to the beginning of the Sino-Japanese hostilities, there were roughly two million soldiers in China.

Leader or Region	Divisions	Numerical Strength
Chiang's own	47	480,000
Affiliated with Chiang	45	460,000
Former Chang Hsueh-liang's	15	110,000
Kwantung	10	120,000
Kwangsi	7	50,000
Sung Teh-yuan	4	80,000
Shansi	8	90,000
Shantung	5	60,000
Wang Fu-ling	3	20,000
Marines	1	20,000
Czechuan Generals	26	250,000
Other District Armies	15	260,000
Total	186	2,000,000

It is estimated that the Chinese left 500,000 killed in the field, with total losses of about 1,300,000 up to August of last year. Therefore the estimated loss up to date is approximately 1,500,000. However, on account of constant recruiting, China may still claim even close to one million, if those about ready for service are taken into account. However, the loss has not been suffered horizontally, all alike among its many armies. Chiang has always tried to withdraw his own divisions long before all others. Provincial soldiers know this. Hence, with each retreating step, Chiang is losing not only in numbers but in loyal support.

When Nanking was threatened in 1932, Chiang chose Loyang as his temporary capital. When his capital fell in 1937, he moved to Hankow, where he had terminated his northern drive in 1925, and where he had decided to split with his Communist comrades. Chiang had then chosen to march on to the East and seek the rich prize of the Yangtse Valley, while his former Communist allies were left to entrench themselves in the general locale northwest of Hankow, though they did not confine their spheres to that area.

Communists In Control

With the impending fall of Hankow late in 1938, the question of where to move the roaming government was a vital issue with Dictator Chiang. The Communistic element preferred Chunking, for that was the gateway for the Communist ridden province of Shensi and to its capital, Sian. So, Chungking was chosen. This, Communists believe, will ensure the continuation of the Russian support.

However, when Chiang Kai-shek sought a new base for his retreating army, the Chunking authorities, backed by General Liu Hsiang and others, were in no mood to welcome him. For they are unwilling to share the poverty which al-

ready their own army is suffering. Hence the majority of Chiang's own divisions were withdrawn toward the Hunan province; thence even toward Kweichow, where they have been seriously endeavoring to connect themselves with the outside world through Yunnan. The Yunnan Province, which revolted against the Nationalist Government because the latter proposed to divert the Yunnan opium traffic to Nanking, seems likely to close its highways to Chiang Kai-shek when there is no more "Kumshaw" (or Commission) from Chiang to its leaders, accruing from the purchase and transportation of his arms and munitions through the Burma borders. It may also happen that this same thing will occur to impair the effectiveness of the Hanoi-Yunnanfu route, and to mar his relations with the Kwangsi war lords. Therefore, it must be concluded that neither Yunnan nor Kwangsi province is safely amenable or loyal to the rule of the roving savior of unstable China.

Little Left to Chiang

There the situation stands at present, and that is the extent of Chiang Kai-shek's present hold upon China. All outlets are closed to him except a long overland road from Siberia, to support chiefly the Soviet area; and another long mountain road to feed Chiang's directly controlled army. And this without any customs, salt gabelle, or consolidated tax revenues.

* * *

Postscript

In this publication, at various times, we have asserted that very definite and very positive agencies were zealously at work in this country to induce our people to take sides in the existing conflict in East Asia. We have named as the most active and important of these, Soviet Russia and Great Britain; and

have suggested that much, if not most, of the current effort to make China appear as a beleaguered democracy and Dictator Chiang Kai-shek as a benevolent and wise "people's leader" came directly or indirectly from these two sources—operating, naturally enough, through all sorts of noble-sounding organizations.

It is possible that some of our readers may have thought that we were over-stressing this point. In any event, it is gratifying to find abundant and emphatic corroboration of our assertions from no less a recognized authority on the East Asian situation than William Henry Chamberlain. In an article called "Hands Off Japan!" appearing in the March issue of THE AMERICAN MERCURY, Mr. Chamberlain, whom no one could ever successfully accuse of being pro-Japanese or "pro-fascist," goes into this whole question with his usual objectiveness and thoroughness. It is an article that we earnestly recommend to our readers. Obviously, we can not reproduce it in these columns, but we are quoting excerpts from it as follows:

"At the present time," says Mr. Chamberlain, "I think, it is only in America that one must look for the danger of an American-Japanese clash. Japan has assumed in China a prodigious task, to which its strength may or may not prove equal. The Soviet Union hangs as a menacing threat on the right flank of its forward thrust in Asia. The wildest Japanese militarist or navalist, under such circumstances, would not think of provoking a war with America."

"Any war between Japan and America, whatever the immediate provocation, will be the result of a conscious or unconscious determination on America's part to intervene in Asia, as it intervened in Europe in 1917. And the issue of any such war will be fought out in Asiatic waters."

"In the present case it is not only China that is interested in embroiling America with Japan. Japan's advance on the continent of Asia is a political threat to the Soviet Union and an economic threat to Great Britain, the country with the largest investment stake in China. What started as

a war between Japan and China may end as a gigantic struggle between Japan and the Soviet Union for the mastery of East Asia. So it is not surprising that every Communist-dominated organization in America should be working overtime to promote an American Japanese breach. Despite their clownish efforts to don the togas of Washington and Lincoln, the American comrades think solely of Soviet, not of American interests in foreign policy. So Earl Browder, Stalin's Number One yes-man in America, published in the *New Republic* an article dedicated to the patently ridiculous proposition that Japan was more likely to invade America than to clash with the Soviet Union. And Comrade Troyanovsky, one of the very few prominent Soviet diplomats who —at least at this writing—have escaped execution or imprisonment in the current purges, has strained the limits of diplomatic propriety by lecturing America on the desirability of an alliance with the Soviet Union—in the blessed name of collective security.

"Great Britain is another power which is keenly interested in pushing America into the Far Eastern front-line trenches. During the weeks immediately after the sinking of the *Panay* there was a flood of more or less discreet suggestions from London for Anglo-American joint action in China. Winston Churchill generously assured America of British aid, moral and material, if it should become involved in the Far Eastern conflict. Just what form this aid would assume, in view of Great Britain's heavy preoccupations in Europe, he did not specify. He added, however, in accents strongly reminiscent of 1917, that by taking a strong stand the United States would not only safeguard its own security and liberty, but would help preserve the peace and civilization of the West. He virtuously repudiated the idea that American intervention would be on behalf of Great Britain and maintained that such action would involve 'primarily the future safety and liberty of the American people.' One fancies, however, that Mr. Churchill was not oblivious of the fact that such action would considerably minister to the future safety of Hong Kong and Singapore."

"Visible British pressure for American action in the Far East subsided after the retirement of Eden as Foreign Secretary, which had its repercussions on British policy in the Far East as well as in Europe. After the Munich capitulation Britain can scarcely ask others to act with a straight face.

The British attitude on Far Eastern questions, moreover, is more subtle and complicated than the Soviet. Stalin's objective, which he pursues with equal perseverance through the Soviet diplomatic missions abroad and through his obedient 'second Foreign Office,' the Communist International, is transparently clear. It is to deepen and aggravate the differences between the democratic countries, on one side, and Germany, Italy, and Japan on the other, in the hope that ultimately a new world war will start, with the same devastating effects as the last one on material well-being and social stability.

"Great Britain has no such clear and simple policy. The British, especially those who are concerned with the conduct of foreign affairs, are less apt than Americans to be sentimental about China. The memory of the anti-British riots, strikes, and boycotts of the years 1924-27, when the Kuomintang, the Chinese nationalist party, was in close alliance with the Chinese communists, is still fairly fresh. While Japan looms up as the immediate threat to British interests, there are no illusions among British residents of the Far East as to the clean sweep of foreign rights and interests which would follow a complete Chinese victory. British policy is therefore complex and a trifle blurred, never losing sight of the possibility of an ultimate agreement with Japan, but also on the hopeful lookout for allies if the Island Empire proves intractable."

"Advocates of war and of war-making sanctions employ two sets of arguments, material and moral. On the material side it is argued that America's economy will be prostrated if access to 'the vast Chinese market' is denied, that American property and investments in China are in dire peril and can only be saved by some forceful action against Japan. It is most amusing to see avowed Communists and their miscellaneous allies suddenly seized with acute concern for the safety of the profits of American business firms in China.

"But when one looks up the cold facts and figures it is evident that this vast Chinese market, like the unlimited Soviet market which was supposed to produce hundreds of millions of dollars worth of orders for American goods after recognition, is a compound of myth and ballyhoo. Soviet Russia is a less profitable customer than Czarist Russia. And in 1936, an unusually prosperous year for China, American sales to that country reached the figure of $46,819,000. This was a little over

1.5 per cent of the total value of America's export trade. In the same year America's sales to Japan amounted to $204,312,000, over four times the value of the exports to China. So the economics of fighting to preserve trade with China, even proceeding on the unjustified assumption that this trade would be lost by a Japanese victory, are hardly convincing."

"There is no likelihood, incidentally, that American trade and investments in China will be wiped out if the present struggle ends in the establishment of Japanese control over considerable parts of China. Some American exports to China—oil, tobacco, and cotton, for instance—are non-competitive so far as Japan is concerned, since Japan is herself short of these commodities. Physical damage to American property in China has not been heavy. In several cases compensation has been paid when direct proof of Japanese responsibility for damage and destruction has been presented through diplomatic channels."

"It is not easy to see how American prestige is involved in the present war. America has no obligation to maintain existing frontiers in Asia. Americans in China have fared better, not worse, than is the usual rule for foreigners who reside in a country which has become a theatre of hostilities.

"One wonders whether our advocates of collective security—with its implied obligation for America to go to war, if necessary, to check aggression in every part of the world—have ever reconstructed American history as it would have been written if this obligation had been accepted in the last century. We should have had very little peace. The same logic that would have made America fight to preserve the opium-smoking Chang Hsueh-liang in power in Manchuria and the raw-meat-eating *races* of Abyssinia would have pushed us into repeated conflicts with the leading expansionist powers of the last century, Great Britain and France, on behalf of oppressed and downtrodden Chinese, Indians, Moroccans, Zulus, Annamites, and other tribes too numerous to mention. No people in its right mind would assume such an obligation."

"But there is one consideration which, it seems to me, should be decisive as to American non-participation in the Far Eastern conflict. This is that American intervention, while it might benefit Chinese nationalists, Soviet communists, or the British Empire, would serve no rationally conceived American interest."

Suggested Reading

THE BASIS OF JAPANESE FOREIGN POLICY, *by Albert E. Hindmarsh* (Harvard Univ. Press)

FAR EASTERN INTERNATIONAL RELATIONS, *by Hosea Ballou Morse and Harley Farnsworth MacNair* (Houghton, Mifflin Co.)

CHINA: The Pity Of It, *by J. O. P. Bland* (Heinemann; London)

WHAT'S WRONG WITH CHINA, *by Rodney Gilbert* (Murray)

WITHIN THE WALLS OF NANKING, *by Mrs. A. T. Hobart* (Cape; London)

TORTURED CHINA, *by Hallett Abend* (Ives Washburn)

WAYS THAT ARE DARK—The Truth About China,
and
ASIA ANSWERS; both *by Ralph Townsend* (G. P. Putnam's Sons)

THE FAR EAST, *by Payson J. Treat* (Stanford Univ. Press)

THE CHINESE: Their History and Culture, *by Kenneth Scott Latourette* (The Macmillan Co., New York)

WHY MEDDLE IN THE ORIENT? *by Boake Carter and Thomas H. Healy* (Dodge Publishing Co., New York)

Previous Issues of Far Eastern Affairs Monthly

LIGHT ON THE FAR EASTERN SITUATION—March, 1938

SHALL WE FIGHT JAPAN?—April, 1938

CHINA—FICTION AND FACT—May-June, 1938

CHINA, JAPAN AND THE OPEN DOOR—July, 1938

RED CLOUD OVER CHINA—August, 1938

FAR EAST FUNDAMENTALS—September, 1938

MANCHURIA—PAST AND PRESENT—October, 1938

SOME JAPANESE GHOSTS—November-December, 1938

WHAT'S WHAT IN CHINA?—January, 1939

A few copies of each of the above issues are still available at fifteen cents a copy.

As long as the limited supply of these back issues lasts, subscribers may have their subscriptions commence with Volume I, Number 1.

FAR EASTERN AFFAIRS MONTHLY

Single Copies 15c ***Twelve Issues $1.00***